

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 FEA-02 EB-11 COME-00 TRSE-00 INT-08

SCI-06 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

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HERE WITH REPEAT OF LONDON 1377, DATED JANUARY 30, 1973 SENT TO AMEMBASSY BONN, BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, PARIS, ROME, THE HAGUE, OSLO, OTTAWA, TOKYO, USMISSION EC BRUSSELS AND OECD PARIS. REPEATED FOR YOUR INFO.

QUOTE

UNCLAS LONDON 01377

E.O. 11652: N/A

TAGS: EGEN, ENRG, EEC, UK

SUBJECT: ANDREW SHONFIELD ATTACKS BRITISH "GO-IT-ALONE" OIL TACTICS

1. SHARP CRITICISM OF BRITAIN'S "GO-IT-ALONE" TACTICS ON OIL WAS EXPRESSED BY ANDREW SHONFIELD (DIRECTOR OF THE ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS) IN AN ARTICLE IN THE OBSERVER ON JANUARY 27.

2. SHONFIELD DISCUSSED IN DETAIL THE WITTEVEEN PROPOSALS FOR FINANCING OIL DEFICITS. SUCH ARRANGEMENTS CANNOT BE SEPARATED FROM ARRANGEMENTS FOR BUYING OIL, SHONFIELD SAID. BRITAIN'S POSITION IN THE WEEKS AHEAD WILL BE A CRUCIAL ONE. THE UK HAS BEEN A
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STRONG SUPPORTER OF INTERNATIONAL FINANCIAL COLLABORA-

TION ALONG THE LINES OF THE WITTEVEEN PROPOSALS, BUT IT "SEEMS TO WANT TO PLAY THE GAME OF UNRESTRAINED BILATERALISM" IN BUYING OIL. "THE IMPRESSION GAINED FROM THE GOVERNMENT'S BEHAVIOR IS THAT IT THINKS IN TERMS OF THREE OR FOUR YEARS OF WAITING TIME BEFORE BRITAIN IS SELF-SUFFICIENT IN ENERGY, AND THAT IN THE MEANWHILE IT IS PREPARED TO GO TO ALMOST ANY LENGTH IN MAKING BARGAINS WITH THE MIDDLE EAST OIL PRODUCERS, IN ORDER TO SECURE SUPPLIES -- REGARDLESS OF THE EFFECT ON OTHERS."

3. SHONFIELD WARNED THAT IF BILATERALISM BECOMES THE RULE, THE SCRAMBLE FOR SUPPLIES IS LIKELY TO PUSH UP PRICES RAPIDLY ABOVE THE HEIGHTS AT WHICH THEY ALREADY STAND. "IT IS EXTREMELY UNWISE OF THE BRITISH GOVERNMENT TO HAVE ADOPTED A POSTURE WHICH SUGGESTS THAT IT ACTUALLY PREFERS THIS WAY OF DOING BUSINESS....IT IS DOUBTFUL WHETHER BRITAIN WOULD GAIN IN THE END FROM PLAYING THIS UNFAMILIAR ROLE. AS ONE RESPONSIBLE GERMAN PUT IT PRIVATELY -- IF IT COMES TO A COMPETITION IN BUYING POWER, GERMANY IS SURELY GOING TO BE ABLE TO OUTBUY AND OUTLAST BRITAIN."

4. WE ARE FORWARDING TEXT OF ARTICLE BY AIRGRAM.

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